



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 22, 1997

Neldon Kunz
American Gilsonite Company
HC 73 Box 28
Vernal Utah 84078

Re: Receipt of Mining Plan for Lease #060749, American Gilsonite Company, Bonanza Operations, M/047/010, Uintah County, Utah

Dear Mr. Kunz:

On December 12, 1997, the Division received a copy of your Mining Plan for Lease #U-060749 dated October 20, 1997, which was submitted to the BLM State Office. Based on a cursory review of this proposal the Division has the following comments:

- Under Division rules, this proposal would be considered an amendment or revision to the existing Large Mining Operation Notice of Intention currently filed with the Division. The determination of whether this proposal would be categorized as an "amendment" or a "revision" cannot be made based on the information provided.
- This proposal does not include an estimate of the surface disturbance for the proposed activities.
- This proposal will need to satisfy the information requirements of section R647-4-118 Revisions of the Minerals Rules. The Division has not yet reviewed this submission to determine if the revision requirements under the Minerals Rules have been satisfied. A copy of Form MR-REV is enclosed for your information.
- This proposal may or may not require adjustments in the reclamation bonding with the Division. This proposal involves a federal lease and the Division will coordinate with the BLM on bonding to the extent our current Memorandum of Understanding allows.

This letter is meant as a courtesy notice to inform you of our review status and rule requirements. At the present time, there are three large mine operation permitting submissions

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which were received prior to your submittal. Consequently, the Division may not be able to perform a review of your submission within the next 30 days. In the interest of time, you may wish to supplement this mining plan by submitting a second submission to the Division which is specifically formatted according to the Minerals Rules. This would assist us in performing a more timely review and possibly prevent delays in the Division's permitting process. If you choose to provide additional information, please send a copy to the BLM State Office as well. This will help both agencies coordinate permitting reviews.

Please contact me if you have any questions regarding this letter. My telephone number is (801) 538-5267.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony A. Gallegos". The signature is fluid and cursive, with the first name "Anthony" being more prominent.

Anthony A. Gallegos
Senior Reclamation Specialist

jb
Enclosure: Form MR-REV
cc: Stan Perkes, BLM State Office
Pete Sokolosky, BLM Vernal Field Office
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